

the budget. A pro forma operating budget for the first year of operations must also be included. The detailed budget description must be accompanied by SF-424A, “Budget Information—Non-Construction Programs,” or SF-424C “Budget Information—Construction Programs,” as applicable.

(8) *Project goals and objectives.* The applicant must identify unambiguous measures for expected cost reduction, efficiencies or other improvements and the degree to which the incremental benefit will be enjoyed by residents of the eligible community. The description should specifically address how the project will provide or improve energy generation, transmission or distribution services in the target area. The project objectives and proposed evaluation measures will be the basis for project performance measures in the grant agreement.

(9) *Performance measures.* The application must include specific criteria for measuring project performance. These proposed criteria will be used in establishing performance measures incorporated in the grant agreement in the event the proposal receives funding under this subpart. These suggested criteria are not binding on the Agency. Appropriate measures of project performance include expected reductions in home energy costs, avoided cost increases, enhanced reliability, new households served, or economic and social benefits from improvements in energy services.

(10) *Proposal evaluation and selection criteria.* The application must address individually and in narrative form each of the proposal evaluation and selection criteria referenced in the grant announcement.

(11) *Rural development initiatives.* The proposal should describe whether and how the proposed project will support any State rural development initiatives. If the project is in support of a rural development initiative, the application should include confirming documentation from the appropriate rural development agency. The application must identify the extent to which the project is dependent upon or tied to other rural development initiatives, funding and approvals.

(12) *Environmental profile.* The application must include information about project characteristics and site specific conditions that may involve environmental, historic preservation and other resource issues. This information must be presented in sufficient detail so as to facilitate the Agency’s identification of projects that may require additional environmental review under 7 CFR part 1794 before a grant award can be approved. The format and requirements for the environmental profile will be established in the grant announcement.

(13) *Regulatory and other required project approvals.* The applicant must identify all regulatory or other approvals required by other Federal, State, local, tribal or private entities (including conditions precedent to financing) that are necessary to carry out the proposed project and an estimated schedule for obtaining the necessary permits and approvals.

§ 1709.118 Submission of applications.

Unless otherwise provided in the grant announcement, a complete original application package and two copies must be submitted by the application deadline to RUS at the address specified in the applicable announcement. Instructions for submittal of applications electronically will be established in the grant announcement.

§ 1709.119 Review of applications.

(a) RUS will review each application package received to determine whether the applicant is eligible and whether the application is timely, complete, and responsive to the requirements set forth in the grant announcement.

(b) RUS may, at its discretion, contact the applicant to clarify or supplement information in the application needed to determine eligibility, identifying information, and grant requests to allow for informed review. Failure of the applicant to provide such information in response to a written request by the Agency within the time frame established by the Agency may result in rejection of the application.

(c) After consideration of the information submitted, the Assistant Administrator, Electric Program will determine whether an applicant or

project is eligible and whether an application is timely, complete, and responsive to the grant announcement and shall notify the applicant in writing. The Assistant Administrator's decision on eligibility may be appealed to the Administrator.

§ 1709.120 Evaluation of applications.

(a) The Agency will establish one or more rating panels to review and rate the grant applications. The panels may include persons not employed by the Agency.

(b) All timely and complete applications that meet the eligibility requirements will be referred to the rating panel. The rating panel will evaluate and rate all referred applications according to the evaluation criteria and weights established in the grant announcement. Panel members may make recommendations for conditions on grant awards to promote successful performance of the grant or to assure compliance with other Federal requirements.

(c) After the rating panel has evaluated and scored all proposals, in accordance with the point allocation specified in the grant announcement, the panel will prepare a list of all applications in rank order, together with funding level recommendations and recommendations for conditions, if any.

(d) The list of ranked projects and rating panel recommendations will be forwarded to the Administrator for review and selection.

§ 1709.121 Administrator's review and selection of grant awards.

(a) The final decision to make an award is at the discretion of the Administrator. The Administrator shall make any selections of finalists for grant awards after consideration of the applications, the rankings, comments, and recommendations of the rating panel, and other pertinent information.

(b) Based on consideration of the application materials, ranking panel ratings, comments, and recommendations, and other pertinent information, the Administrator may elect to award less than the full amount of grant requested by an applicant. Applicants will be notified of an offer of a reduced

or partial award. If an applicant does not accept the Administrator's offer of a reduced or partial award, the Administrator may reject the application and offer an award to the next highest ranking project.

(c) The projects selected by the Administrator will be funded in rank order to the extent of available funds.

(d) In the event an insufficient number of eligible applications are received in response to a published grant announcement and selected for funding to exhaust the funds available, the Administrator reserves the discretion to reopen the application period and to accept additional applications for consideration under the terms of the grant announcement. A notice regarding the reopening of an application period will be published in the FEDERAL REGISTER.

§ 1709.122 Consideration of eligible grant applications under later grant announcements.

At the discretion of the Administrator, the grant announcement may provide that all eligible but unfunded proposals submitted under preceding competitive grant announcements may also be considered for funding. This option is provided to reduce the burden on applicants and the Agency. The grant announcement shall indicate how applicants may request reconsideration of previously submitted, but unfunded, applications and how they may supplement their applications.

§ 1709.123 Evaluation criteria and weights.

(a) *Establishing evaluation criteria and weights.* The grant announcement will establish the evaluation criteria and weights to be used in ranking the grant proposals submitted. Unless supplemented in the grant announcement, the criteria listed in this section will be used to evaluate proposals submitted under this program. Additional criteria may be included in the grant announcement. In establishing evaluation criteria and weights, the total points that may be awarded for project design and technical merit criteria shall not be less than 65 percent of the total available points, and the total points awarded for priority criteria shall not be more than 35 percent of